

## Message Text

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ACTION OPIC-06

INFO OCT-01 ARA-06 ISO-00 EB-08 COME-00 TRSE-00 OMB-01

CIAE-00 INR-07 NSAE-00 L-03 /032 W

-----220418Z 052006 /15

R 211920Z APR 77

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 7350

INFO AMEMBASSY LIMA

AMEMBASSY SANTIAGO

AMEMBASSY BOGOTA

AMEMBASSY LA PAZ

AMEMBASSY QUITO

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EO 11652 NA

TAGS: EINV VE

SUBJ: PROPOSAL FOR RESUMPTION OF OPIC PROGRAMS IN

VENEZUELA

REF: CARACAS 2917(NOTAL)

1. AMBASSADOR MET WITH FINANCE MINISTER HURTADO APRIL 20 TO DISCUSS MOBIL APPLICATION FOR INCONVERTIBILITY INSURANCE SPECIFICALLY AND THE GENERAL QUESTION OF RESUMPTION OF OPIC INSURANCE PROGRAMS IN VENEZUELA. DEPT WILL RECALL THAT EMBASSY PROVIDED HURTADO WITH INFORMATION ABOUT OPIC'S INCONVERTIBILITY INSURANCE PROGRAM, INCLUDING A BRIEF EXPLANATION OF HOW THE GOV COULD BECOME INVOLVED SHOULD OPIC BE REQUIRED TO PAY A CLAIM.

2. OUTLINING THE GOV'S POSITION ON INCONVERTIBILITY INSURANCE, HURTADO SAID THERE WAS NO OBJECTION IN PRINCIPLE TO A RESUMPTION OF THIS PROGRAM, WITH THE EXCEPTION OF THE PETROLEUM SECTOR. HE REFERRED TO THE 1962 AGREEMENT, AND STATED THERE WAS A CLEAR UNDERSTANDING AT THAT TIME THAT THE  
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PROVISIONS OF THE AGREEMENT WOULD NOT APPLY TO US FIRMS WORKING IN THIS SECTOR. ON THE OTHER HAND, THE GOV HAD NO OBJECTION IN PRINCIPLE TO THIS TYPE OF INSURANCE FOR INVESTMENTS IN OTHER SECTORS, INCLUDING INDUSTRIES RELATED TO PETROLEUM SUCH AS PETROCHEMICALS.

3. OTHER FORMS OF OPIC POLITICAL RISK INSURANCE (WAS, INSURRECTION,

EXPROPRIATION) WOULD NOT BE APPROVED BY THE GOV AS THEY CLEARLY PRESENTED CONFLICTS WITH ANDEAN PACT AGREEMENTS REGARDING SUBROGATION AND INTERNATIONAL ARBITRATION OF CLAIMS.

4. HURTADO OUTLINED NEW PROCEDURE TO BE USED IN OBTAINING APPROVAL FOR INCONVERTIBILITY INSURANCE. APPLICATIONS SHOULD BE SUBMITTED TO SUPERINTENDENT OF FOREIGN INVESTMENT (SIEX) WHICH IS NOW A PART OF THE MINISTRY OF FINANCE. SIEX WOULD CONSIDER EACH APPLICATION ON ITS MERITS, CONSULT WITH OTHER GOV AGENCIES AS APPROPRIATE, AND ADVISE THE APPLICANT OF ITS DECISION. HURTADO SAID HE WOULD BE IN TOUCH WITH SIEX REGARDING ITS NEW RESPONSIBILITIES.

5. EMBASSY DOES NOT INTEND TO PURSUE MOBIL APPLICATION WITH GOV ANY FURTHER.

VAKY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Date:** 22 May 2009  
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**Original Handling Restrictions:** n/a  
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**Review Markings:**  
Margaret P. Grafeld  
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